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11
12 **UNITED STATES DISTRICT COURT**
13 **NORTHERN DISTRICT OF CALIFORNIA**
14 **SAN FRANCISCO DIVISION**

15 ANDREW SAMUELS, on behalf of himself and
all others similarly situated

16 Plaintiff,

17 v.

18 LIDO DAO; AH CAPITAL MANAGEMENT,
LLC; PARADIGM OPERATIONS LP;
19 DRAGONFLY DIGITAL MANAGEMENT
LLC; ROBOT VENTURES LP,

20 Defendants.
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Case No. 3:23-cv-06492-VC

**DEFENDANT PARADIGM OPERATIONS
LP'S ANSWER AND AFFIRMATIVE
DEFENSES TO PLAINTIFF'S AMENDED
COMPLAINT, AND CONDITIONAL
COUNTERCLAIMS**

1 Defendant Paradigm Operations LP ("Paradigm"), by and through its undersigned counsel, hereby
2 answers Plaintiff's Amended Complaint (ECF No. 54 ("Amended Complaint" or "AC")). Paradigm denies
3 all of the Amended Complaint's allegations unless expressly admitted herein. Paradigm's Answer is based
4 upon knowledge as to its own actions and otherwise upon information and belief. To the extent any
5 allegations are directed toward any party other than Paradigm, Paradigm lacks knowledge or information
6 sufficient to form a belief as to the truth of those allegations and, therefore, denies them on that basis.

7 **PRELIMINARY STATEMENT**

8 1. The allegations in Paragraph 1 are based on the ambiguous and inconsistently used terms
9 "Lido DAO," "Lido," and "Lido's business." Given that ambiguity, Paradigm lacks knowledge or
10 information sufficient to form a belief as to the truth of the allegations in Paragraph 1. The allegations
11 regarding staking in Paragraph 1 are overbroad and imprecise, at best. As a result, Paradigm lacks
12 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 1, and
13 therefore denies them. To the extent the allegations in Paragraph 1 reflect Plaintiff's embedded legal
14 conclusion that "Lido DAO" is a general partnership, no response is required. To the extent a response to
15 that legal conclusion is required, Paradigm denies that any such partnership exists and denies that
16 Paradigm is a partner in it, and therefore denies the allegations in Paragraph 1. As to any remaining factual
17 allegations to which a response is required, Paradigm lacks knowledge or information sufficient to form
18 a belief as to the truth of such allegations, and therefore denies them.

19 2. Because allegations in Paragraph 2 are based on the ambiguous and inconsistently used
20 terms "Lido," and "Lido's staking business," Paradigm lacks knowledge or information sufficient to form
21 a belief as to the truth of the allegations in Paragraph 2. To the extent the allegations in Paragraph 2 reflect
22 Plaintiff's embedded legal conclusion that "Lido DAO" is a general partnership, no response is required.
23 To the extent a response to that legal conclusion is required, Paradigm denies that any such partnership
24 exists and denies that Paradigm is a partner in it, and therefore denies the allegations in Paragraph 2.
25 Paradigm denies the allegations in the second and third sentences of Paragraph 2 to the extent they concern
26 Paradigm, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining
27 allegations in those sentences and therefore denies them. To the extent the fifth sentence of Paragraph 2
28 reflects Plaintiff's embedded legal conclusions that LDO or transactions in LDO are securities, no response

1 is required. To the extent a response to those legal conclusions is required, Paradigm denies that LDO is
2 a security and denies that transactions in LDO are securities. As to any remaining factual allegations in
3 Paragraph 2, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of such
4 allegations, and therefore denies them.

5 3. To the extent Paragraph 3 reflects Plaintiff's legal conclusions, no response is required. To
6 the extent a response to those legal conclusions is required, Paradigm denies that LDO is a security and
7 denies that transactions in LDO are securities. To the extent Paragraph 3 contains factual allegations to
8 which a response is required, Paradigm lacks knowledge or information sufficient to form a belief as to
9 the truth of the allegations in Paragraph 3 and therefore denies them.

10 4. To the extent Paragraph 4 contains allegations regarding Paradigm, Paradigm denies those
11 allegations. To the extent Paragraph 4 alleges conduct by other individuals or entities, Paradigm lacks
12 knowledge or information sufficient to form a belief as to the truth of the allegations and therefore denies
13 them. To the extent Paragraph 4 reflects Plaintiff's characterizations and legal conclusions, no response is
14 required. To the extent a response to those legal conclusions is required, Paradigm denies that LDO is a
15 security, denies that transactions in LDO are securities, and denies that "Lido" is a statutory seller and is
16 liable to Plaintiff or members of the proposed class for any losses. To the extent the allegations in
17 Paragraph 4 are based on the embedded allegation that "Lido DAO" is a general partnership, Paradigm
18 denies that any such partnership exists and denies that Paradigm is a partner in it. To the extent the
19 remaining allegations in Paragraph 4 reflect any factual allegations to which a response is required,
20 Paradigm denies them.

21 **PARTIES**

22 5. The first three sentences of Paragraph 5 reflect Plaintiff's characterizations and legal
23 conclusions to which no response is required. To the extent those sentences reflect factual allegations,
24 Paradigm denies that "Lido DAO" is a general partnership and denies that Paradigm is a partner in it, and
25 thus denies the allegations in those three sentences. The fourth sentence of Paragraph 5 reflects Plaintiff's
26 characterization of his own Amended Complaint to which no response is required. As to any remaining
27 factual allegations to which a response is required, Paradigm lacks knowledge or information sufficient to
28 form a belief as to the truth of such allegations, and therefore denies them.

1 6. In response to the allegations in Paragraph 6, Paradigm admits that it is an investment firm.
2 Paradigm admits that it is headquartered in San Francisco, California. Paradigm denies the allegations in
3 the second and third sentences of Paragraph 6. The second, third, and fourth sentences also reflect
4 Plaintiff's characterizations and legal conclusions to which no response is required. To the extent a
5 response is required, Paradigm denies that "Lido DAO" is a general partnership and denies that Paradigm
6 is a partner in it, and thus denies the allegations in those three sentences. As to any remaining factual
7 allegations to which a response is required, Paradigm lacks knowledge or information sufficient to form
8 a belief as to the truth of such allegations, and therefore denies them.

9 7. To the extent the third, fourth, and fifth sentences of Paragraph 7 reflect Plaintiff's
10 embedded legal conclusion that "Lido DAO" is a general partnership, no response is required. To the
11 extent a response to that legal conclusion is required, Paradigm denies that any such partnership exists and
12 denies that Paradigm is a partner in it and thus denies the allegations in those sentences. As to any
13 remaining factual allegations in Paragraph 7, Paradigm lacks knowledge or information sufficient to form
14 a belief as to the truth of such allegations, and therefore denies them.

15 8. To the extent the third and fourth sentences of Paragraph 8 reflect Plaintiff's embedded
16 legal conclusion that "Lido DAO" is a general partnership, no response is required. To the extent a
17 response to that legal conclusion is required, Paradigm denies that any such partnership exists and denies
18 that Paradigm is a partner in it, and thus denies the allegations in those sentences. As to any remaining
19 factual allegations in Paragraph 8, Paradigm lacks knowledge or information sufficient to form a belief as
20 to the truth of such allegations, and therefore denies them.

21 9. To the extent the third, fourth, and fifth sentences of Paragraph 9 reflect Plaintiff's
22 embedded legal conclusion that "Lido DAO" is a general partnership, no response is required. To the
23 extent a response to that legal conclusion is required, Paradigm denies that any such partnership exists and
24 denies that Paradigm is a partner in it, and thus denies the allegations in those sentences. As to any
25 remaining factual allegations in Paragraph 9, Paradigm lacks knowledge or information sufficient to form
26 a belief as to the truth of such allegations, and therefore denies them.

27 10. Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the
28 allegations in Paragraph 10, and therefore denies them.

JURISDICTION AND VENUE

11. The allegations in Paragraph 11 state a legal conclusion to which no response is required.

12. The allegations in Paragraph 12 state a legal conclusion to which no response is required. To the extent Paragraph 12 contains factual allegations as to Paradigm to which a response is required, Paradigm admits that it is headquartered in San Francisco, California. To the extent Paragraph 12 contains factual allegations as to any other Defendant in this case or any other individual or entity not a party to this case, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

13. The allegations in Paragraph 13 are based on the ambiguous and inconsistently used term "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 13. In addition, the first sentence of Paragraph 13 reflects Plaintiff's characterizations and legal conclusions to which no response is required. To the extent a response to those legal conclusions is required, Paradigm denies that LDO is a security, denies that transactions in LDO are securities, and denies that Paradigm is liable to Plaintiff or members of the proposed class for any losses. To the extent the allegations in Paragraph 13 reflect Plaintiff's embedded legal conclusion that "Lido DAO" is a general partnership, no response is required. To the extent a response to that legal conclusion is required, Paradigm denies that any such partnership exists and denies that Paradigm is a partner in it. To the extent the second sentence of Paragraph 13 contains embedded factual allegations as to Paradigm to which a response is required, Paradigm denies them. To the extent the second sentence of Paragraph 13 contains embedded factual allegations as to any other Defendant in this case or any other individual or entity not a party to this case, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

14. The allegations in Paragraph 14 state legal conclusions to which no response is required. To the extent Paragraph 14 contains embedded factual allegations as to Paradigm, Paradigm denies them. To the extent Paragraph 14 contains embedded factual allegations as to any other Defendant in this case or any other individual or entity not a party to this case, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the allegations, and therefore denies them. To the extent the allegations in Paragraph 14 are based on the allegation that "Lido DAO" is a general partnership, Paradigm

denies that any such partnership exists and denies that Paradigm is a partner in it, and therefore denies the allegations in Paragraph 14.

THE ETHEREUM BLOCKCHAIN¹

15. Paradigm admits that Satoshi Nakamoto is often credited with creating Bitcoin. The remaining allegations in Paragraph 15 are overbroad and imprecise. As a result, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 15, and therefore denies them.

16. The allegations in Paragraph 16 are overbroad and imprecise. As a result, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 16, and therefore denies them.

17. The allegations in Paragraph 17 are an overbroad and imprecise explanation of "proof of work" validation. As a result, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 17, and therefore denies them.

18. Paradigm admits that Vitalik Buterin is often credited with creating Ethereum, and that Ether is sometimes abbreviated as ETH. The remaining allegations in Paragraph 18 are overbroad and imprecise. As a result, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 18, and therefore denies them.

19. Paradigm admits that DeFi has been used to stand for "decentralized finance" in certain circumstances. The remaining allegations in Paragraph 19 are overbroad and imprecise. As a result, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 19, and therefore denies them.

20. Paradigm admits that "DAO" has been used as an abbreviation for "Decentralized Autonomous Organization" in certain circumstances. The remaining allegations in Paragraph 20, which purport to describe how all Decentralized Autonomous Organizations function writ large, are overbroad and imprecise, at best. As a result, Paradigm lacks knowledge or information sufficient to form a belief as

¹ Paradigm repeats and restates in this Answer the section headings from the Amended Complaint solely for organizational purposes. Paradigm does not adopt, endorse or admit any factual matters contained in the section headings. For the avoidance of doubt, to the extent the section headings in the Amended Complaint purport to contain any factual allegations, Paradigm denies all such allegations.

1 to the truth of such allegations, and therefore denies them. To the extent the allegations in Paragraph 20
2 reflect Plaintiff's embedded legal conclusion that "Lido DAO" is a general partnership, no response is
3 required. To the extent a response to that legal conclusion is required, Paradigm denies that any such
4 partnership exists and denies that Paradigm is a partner in it, and therefore denies the allegations in
5 Paragraph 20.

6 21. Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the
7 allegations in Paragraph 21, and therefore denies them.

8 22. The allegations in Paragraph 22 are overbroad and imprecise. As a result, Paradigm lacks
9 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 22, and
10 therefore denies them.

11 23. The allegations in Paragraph 23 are overbroad and imprecise. As a result, Paradigm lacks
12 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 23, and
13 therefore denies them.

14 **THE ETHEREUM MERGE CREATES A BUSINESS OPPORTUNITY**

15 24. Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the
16 allegations in Paragraph 24, and therefore denies them.

17 25. Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the
18 allegations in Paragraph 25, and therefore denies them.

19 26. The first sentence of Paragraph 26 reflects Plaintiff's characterizations and legal
20 conclusions to which no response is required. To the extent the first sentence of Paragraph 26 contains
21 factual allegations to which a response is required, Paradigm lacks knowledge or information sufficient to
22 form a belief as to the truth of those allegations, and therefore denies them. To the extent the allegations
23 in the second sentence of Paragraph 26 purportedly refer to publicly available information about SEC
24 actions, Paradigm respectfully refers to the referenced materials for their full and accurate contents. As to
25 any remaining allegations in Paragraph 26, Paradigm lacks knowledge or information sufficient to form a
26 belief as to the truth of such allegations, and therefore denies them.

THE LIDO DAO IS FORMED TO CAPITALIZE ON ETHEREUM STAKING

27. The allegations in Paragraph 27 are based on the ambiguous and inconsistently used term "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 27. To the extent the allegations in Paragraph 27 reflect Plaintiff's embedded legal conclusion that "Lido" or "Lido DAO" is a general partnership, no response is required. To the extent a response to that legal conclusion is required, Paradigm denies that any such partnership exists and denies that Paradigm is a partner in it, and therefore denies the allegations in Paragraph 27. To the extent the allegations in Paragraph 27 quote a written or oral statement, Paradigm respectfully refers to the referenced materials for their full and accurate contents. Paradigm denies Plaintiff's characterizations of any statements or conduct alleged in Paragraph 27. As to any remaining factual allegations in Paragraph 27, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

28. The allegations in Paragraph 28 are based on the ambiguous and inconsistently used term "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 28. To the extent the allegations in Paragraph 28 reflect Plaintiff's embedded legal conclusion that "Lido DAO" is a general partnership, no response is required. To the extent a response to that legal conclusion is required, Paradigm denies that any such partnership exists and denies that Paradigm is a partner in it, and therefore denies the allegations in Paragraph 28. As to any remaining factual allegations in Paragraph 28, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

29. The allegations in Paragraph 29 are based on the ambiguous and inconsistently used terms "Lido" and "Lido DAO." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 29. The first and second sentences of Paragraph 29 reflect Plaintiff's characterizations and legal conclusions to which no response is required. To the extent a response is required, Paradigm denies those allegations. To the extent the allegations in those sentences are based on the allegation that "Lido DAO" is a general partnership, Paradigm denies that any such partnership exists and denies that Paradigm is a partner in it. To the extent the allegations in the third sentence of Paragraph 29 are based on a written or oral statement, Paradigm respectfully refers

1 to the referenced materials for their full and accurate contents. Paradigm denies Plaintiff's
2 characterizations of any statements or conduct alleged in Paragraph 29. As to any remaining factual
3 allegations in Paragraph 29, Paradigm lacks knowledge or information sufficient to form a belief as to the
4 truth of such allegations, and therefore denies them.

5 30. The allegations in Paragraph 30 are based on the ambiguous and inconsistently used terms
6 "Lido" and "Lido DAO." Given that ambiguity, Paradigm lacks knowledge or information sufficient to
7 form a belief as to the truth of the allegations in Paragraph 30. To the extent the allegations in Paragraph 30
8 reflect Plaintiff's embedded legal conclusion that "Lido DAO" is a general partnership, no response is
9 required. To the extent a response to that legal conclusion is required, Paradigm denies that any such
10 partnership exists and denies that Paradigm is a partner in it, and therefore denies the allegations in
11 Paragraph 30. As to any remaining factual allegations in Paragraph 30, Paradigm lacks knowledge or
12 information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

13 31. The allegations in Paragraph 31 are based on the ambiguous and inconsistently used terms
14 "Lido" and "the DAO." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form
15 a belief as to the truth of the allegations in Paragraph 31, and therefore denies them. To the extent the
16 allegations in Paragraph 31 reflect Plaintiff's embedded legal conclusion that "Lido DAO" is a general
17 partnership, no response is required. To the extent a response to that legal conclusion is required, Paradigm
18 denies that any such partnership exists and denies that Paradigm is a partner in it, and therefore denies the
19 allegations in Paragraph 31. As to any remaining factual allegations in Paragraph 31, Paradigm lacks
20 knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore
21 denies them.

22 32. The allegations in Paragraph 32 are based on the ambiguous and inconsistently used terms
23 "Lido DAO" and "Lido's treasury." Given that ambiguity, Paradigm lacks knowledge or information
24 sufficient to form a belief as to the truth of the allegations in Paragraph 32, and therefore denies them. To
25 the extent the allegations in Paragraph 32 reflect Plaintiff's embedded legal conclusion that "Lido DAO"
26 is a general partnership, no response is required. To the extent a response to that legal conclusion is
27 required, Paradigm denies that any such partnership exists and denies that Paradigm is a partner in it, and
28 therefore denies those allegations. To the extent the third sentence of Paragraph 32 purports to quote an

1 unidentified news article, Paradigm respectfully refers to the referenced materials for their full and
2 accurate contents. Paradigm otherwise lacks knowledge or information sufficient to form a belief as to the
3 truth of such allegations, and therefore denies them. As to any remaining factual allegations in
4 Paragraph 32, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of such
5 allegations, and therefore denies them.

6 33. The allegations in Paragraph 33 are based on the undefined, ambiguous, and inconsistently
7 used term "Lido business." Given that ambiguity, Paradigm lacks knowledge or information sufficient to
8 form a belief as to the truth of the allegations in Paragraph 33. To the extent the allegations in Paragraph 33
9 reflect Plaintiff's embedded legal conclusions that LDO or transactions in LDO are securities, no response
10 is required. To the extent a response to those legal conclusions is required, Paradigm denies that LDO is
11 a security and denies that transactions in LDO are securities. As to any remaining factual allegations in
12 Paragraph 33, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of such
13 allegations, and therefore denies them.

14 34. To the extent the allegations in Paragraph 34 are based on a written or oral statement,
15 Paradigm respectfully refers to the referenced materials for their full and accurate contents. As to any
16 remaining factual allegations in Paragraph 34, Paradigm lacks knowledge or information sufficient to
17 form a belief as to the truth of such allegations, and therefore denies them.

18 35. The allegations in Paragraph 35 are based on the undefined, ambiguous, and inconsistently
19 used terms "Lido," "its protocols," and "Lido's treasury." Given that ambiguity, Paradigm lacks knowledge
20 or information sufficient to form a belief as to the truth of the allegations in Paragraph 35. To the extent
21 the allegations in Paragraph 35 reflect Plaintiff's embedded legal conclusion that "Lido DAO" is a general
22 partnership, no response is required. To the extent a response to that legal conclusion is required, Paradigm
23 denies that any such partnership exists and denies that Paradigm is a partner in it, and therefore denies
24 those allegations. To the extent the allegations in the second sentence of Paragraph 35 are based on a
25 written or oral statement, Paradigm respectfully refers to the referenced materials for their full and accurate
26 contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 35. As
27 to any remaining factual allegations to which a response is required, Paradigm lacks knowledge or
28 information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

1 36. To the extent the allegations in Paragraph 36 are based on a written or oral statement,
2 Paradigm respectfully refers to the referenced materials for their full and accurate contents. Paradigm
3 denies Plaintiff's characterizations of any statements or conduct in Paragraph 36. To the extent the
4 allegations in Paragraph 36 reflect Plaintiff's embedded legal conclusion that "Lido DAO" is a general
5 partnership, no response is required. To the extent a response to that legal conclusion is required, Paradigm
6 denies that any such partnership exists and denies that Paradigm is a partner in it. As to any remaining
7 factual allegations to which a response is required, Paradigm lacks knowledge or information sufficient to
8 form a belief as to the truth of such allegations, and therefore denies them.

9 **THE LIDO DAO IS FORMED WITH PARTNER DEFENDANTS AS GENERAL PARTNERS**

10 37. To the extent the allegations in Paragraph 37 reflect Plaintiff's embedded legal conclusion
11 that "Lido" or "Lido DAO" is a general partnership, no response is required. To the extent a response to
12 that legal conclusion is required, Paradigm denies that any such partnership exists and denies that
13 Paradigm is a partner in it, and therefore denies the allegations in Paragraph 37. To the extent the
14 allegations in Paragraph 37 contain embedded factual allegations as to Paradigm, Paradigm denies them.
15 To the extent the allegations in Paragraph 37 contain embedded factual allegations as to any other
16 Defendant in this case or any other individual or entity not a party to this case, Paradigm lacks knowledge
17 or information sufficient to form a belief as to the truth of such allegations, and therefore denies them. As
18 to any remaining factual allegations to which a response is required, Paradigm lacks knowledge or
19 information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

20 38. The allegations in Paragraph 38 are based on the ambiguous and inconsistently used term
21 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
22 the truth of the allegations in Paragraph 38. Paradigm admits that, in 2021, it or its affiliates purchased
23 LDO tokens subject to restrictions on when the tokens may be sold, but otherwise denies the allegations
24 in the second sentence of Paragraph 38. To the extent the allegations in Paragraph 38 reflect Plaintiff's
25 embedded legal conclusion that "Lido" or "Lido DAO" is a general partnership, no response is required.
26 To the extent a response to that legal conclusion is required, Paradigm denies that any such partnership
27 exists and denies that Paradigm is a partner in it. As to any remaining factual allegations to which a
28

1 response is required, Paradigm lacks knowledge or information sufficient to form a belief as to the truth
2 of such allegations, and therefore denies them.

3 39. To the extent the allegations in Paragraph 39 reflect Plaintiff's embedded legal conclusion
4 that "Lido DAO" is a general partnership, no response is required. To the extent a response to that legal
5 conclusion is required, Paradigm denies that any such partnership exists and denies that Paradigm is a
6 partner in it, and therefore denies the allegations in Paragraph 39. Paradigm denies any characterizations
7 of itself in Paragraph 39. As to any remaining factual allegations to which a response is required, Paradigm
8 lacks knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore
9 denies them.

10 40. The allegations in Paragraph 40 are based on the ambiguous and inconsistently used terms
11 "Lido" and "Lido Finance." Given that ambiguity, Paradigm lacks knowledge or information sufficient to
12 form a belief as to the truth of the allegations in Paragraph 40. To the extent Paragraph 40 purports to
13 quote a written or oral statement, Paradigm respectfully refers to the referenced materials for their full and
14 accurate contents. Paradigm denies Plaintiff's characterizations in Paragraph 40 of any statements or
15 conduct by or about Paradigm. As to any remaining factual allegations to which a response is required,
16 Paradigm lacks knowledge or information sufficient to form a belief as to the truth of such allegations,
17 and therefore denies them.

18 41. To the extent the allegations in Paragraph 41 are based on the ambiguous and inconsistently
19 used term "Lido," Paradigm lacks knowledge or information sufficient to form a belief as to the truth of
20 those allegations in Paragraph 41. To the extent the allegations in Paragraph 41 reflect Plaintiff's
21 embedded legal conclusion that "Lido" or "Lido DAO" is a general partnership, no response is required.
22 To the extent a response to that legal conclusion is required, Paradigm denies that any such partnership
23 exists and denies that Paradigm is a partner in it, and therefore denies the allegations in Paragraph 41. To
24 the extent Paragraph 41 purports to quote a written or oral statement, Paradigm respectfully refers to the
25 referenced materials for their full and accurate contents. Paradigm denies Plaintiff's characterizations of
26 any statements or conduct by or about Paradigm in Paragraph 41. As to any remaining factual allegations
27 to which a response is required, Paradigm lacks knowledge or information sufficient to form a belief as to
28 the truth of such allegations, and therefore denies them.

1 42. To the extent the allegations in Paragraph 42 are based on a written or oral statement,
2 Paradigm respectfully refers to the referenced materials for their full and accurate contents. Paradigm
3 denies Plaintiff's characterizations of any statements or conduct by or about Paradigm in Paragraph 42.
4 As to any remaining factual allegations to which a response is required, Paradigm lacks knowledge or
5 information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

6 43. To the extent the allegations in Paragraph 43 are based on a written or oral statement,
7 Paradigm respectfully refers to the referenced materials for their full and accurate contents. As to any
8 remaining factual allegations to which a response is required, Paradigm lacks knowledge or information
9 sufficient to form a belief as to the truth of such allegations, and therefore denies them.

10 44. To the extent the allegations in Paragraph 44 are based on a written or oral statement,
11 Paradigm respectfully refers to the referenced materials for their full and accurate contents. As to any
12 remaining factual allegations to which a response is required, Paradigm lacks knowledge or information
13 sufficient to form a belief as to the truth of such allegations, and therefore denies them.

14 45. To the extent the allegations in Paragraph 45 are based on a written or oral statement,
15 Paradigm respectfully refers to the referenced materials for their full and accurate contents. As to any
16 remaining factual allegations to which a response is required, Paradigm lacks knowledge or information
17 sufficient to form a belief as to the truth of such allegations, and therefore denies them.

18 46. The allegations in Paragraph 46 are based on the ambiguous and inconsistently used term
19 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
20 the truth of the allegations in Paragraph 46. To the extent the allegations in Paragraph 46 reflect Plaintiff's
21 embedded legal conclusion that "Lido DAO" is a general partnership, no response is required. To the
22 extent a response to that legal conclusion is required, Paradigm denies that any such partnership exists and
23 denies that Paradigm is a partner in it, and therefore denies the allegations in Paragraph 46. To the extent
24 the allegations in Paragraph 46 are based on a written or oral statement, Paradigm respectfully refers to
25 the referenced materials for their full and accurate contents. Paradigm denies Plaintiff's characterizations
26 of any statements or conduct in Paragraph 46. As to any remaining factual allegations to which a response
27 is required, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of such
28 allegations, and therefore denies them.

1 47. The allegations in Paragraph 47 are based on the ambiguous and inconsistently used term
2 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
3 the truth of the allegations in Paragraph 47. To the extent the allegations in Paragraph 47 reflect Plaintiff's
4 embedded legal conclusion that "Lido DAO" is a general partnership, no response is required. To the
5 extent a response to that legal conclusion is required, Paradigm denies that any such partnership exists and
6 denies that Paradigm is a partner in it, and therefore denies the allegations in Paragraph 47. To the extent
7 the allegations in Paragraph 47 are based on a written or oral statement, Paradigm respectfully refers to
8 the referenced materials for their full and accurate contents. Paradigm denies Plaintiff's characterizations
9 of any statements or conduct in Paragraph 47. As to any remaining factual allegations to which a response
10 is required, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of such
11 allegations, and therefore denies them.

12 **DEFENDANTS SELL LDO TO THE PUBLIC**

13 48. To the extent Paragraph 48 reflects Plaintiff's characterizations and legal conclusions, no
14 response is required. To the extent a response to those legal conclusions is required, Paradigm denies that
15 LDO is a security and denies that transactions in LDO are securities. To the extent the allegations in
16 Paragraph 48 are based on the embedded allegation that "Lido DAO" is a general partnership, Paradigm
17 denies that any such partnership exists and denies that Paradigm is a partner in it. To the extent
18 Paragraph 48 contains additional embedded factual allegations as to Paradigm to which a response is
19 required, Paradigm denies them. To the extent Paragraph 48 contains embedded factual allegations as to
20 any other Defendant in this case or any other individual or entity not a party to this case, Paradigm lacks
21 knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore
22 denies them. To the extent the remaining allegations in Paragraph 48 reflect any factual allegations to
23 which a response is required, Paradigm lacks knowledge or information sufficient to form a belief as to
24 the truth of such allegations, and therefore denies them.

25 49. Paragraph 49 reflects Plaintiff's characterizations and legal conclusions to which no
26 response is required. To the extent a response is required, Paradigm denies that LDO is a security and
27 denies that transactions in LDO are securities. As to any remaining factual allegations to which a response
28

1 is required, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of such
2 allegations, and therefore denies them.

3 50. To the extent the allegations in Paragraph 50 are based on a written or oral statement,
4 Paradigm respectfully refers to the referenced materials for their full and accurate contents. Paradigm
5 denies Plaintiff's characterizations of any statements or conduct in Paragraph 50. As to any remaining
6 factual allegations to which a response is required, Paradigm lacks knowledge or information sufficient to
7 form a belief as to the truth of such allegations, and therefore denies them.

8 51. The allegations in Paragraph 51 are based on the ambiguous and inconsistently used term
9 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
10 the truth of the allegations in Paragraph 51. Paradigm denies that Hasu was or is a Paradigm employee.
11 To the extent the allegations in Paragraph 51 are based on a written or oral statement, Paradigm
12 respectfully refers to the referenced materials for their full and accurate contents. Paradigm denies
13 Plaintiff's characterizations of any statements or conduct in Paragraph 51. As to any remaining factual
14 allegations to which a response is required, Paradigm lacks knowledge or information sufficient to form
15 a belief as to the truth of such allegations, and therefore denies them.

16 52. The allegations in Paragraph 52 are based on the ambiguous and inconsistently used term
17 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
18 the truth of the allegations in Paragraph 52. To the extent the allegations in Paragraph 52 are based on a
19 written or oral statement, Paradigm respectfully refers to the referenced materials for their full and accurate
20 contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 52. As
21 to any remaining factual allegations to which a response is required, Paradigm lacks knowledge or
22 information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

23 53. To the extent the allegations in Paragraph 53 reflect Plaintiff's embedded legal conclusion
24 that "Lido DAO" is a general partnership, no response is required. To the extent a response to that legal
25 conclusion is required, Paradigm denies that any such partnership exists and denies that Paradigm is a
26 partner in it. To the extent the allegations in Paragraph 53 are based on a written or oral statement,
27 Paradigm respectfully refers to the referenced materials for their full and accurate contents. Paradigm
28 denies Plaintiff's characterizations of any statements or conduct in Paragraph 53. As to any remaining

1 factual allegations to which a response is required, Paradigm lacks knowledge or information sufficient to
2 form a belief as to the truth of such allegations, and therefore denies them.

3 54. To the extent the allegations in Paragraph 54 reflect Plaintiff's embedded legal conclusion
4 that "Lido DAO" is a general partnership, no response is required. To the extent a response to that legal
5 conclusion is required, Paradigm denies that any such partnership exists and denies that Paradigm is a
6 partner in it. To the extent the allegations in Paragraph 54 are based on a written or oral statement,
7 Paradigm respectfully refers to the referenced materials for their full and accurate contents. Paradigm
8 denies Plaintiff's characterizations of any statements or conduct in Paragraph 54. To the extent there are
9 any remaining factual allegations regarding Paradigm in Paragraph 54, Paradigm denies them. As to any
10 remaining factual allegations to which a response is required, Paradigm lacks knowledge or information
11 sufficient to form a belief as to the truth of such allegations, and therefore denies them.

12 55. To the extent the allegations in Paragraph 55 are based on a written or oral statement,
13 Paradigm respectfully refers to the referenced materials for their full and accurate contents. Paradigm
14 denies Plaintiff's characterizations of any statements or conduct in Paragraph 55. As to any remaining
15 factual allegations to which a response is required, Paradigm lacks knowledge or information sufficient to
16 form a belief as to the truth of such allegations, and therefore denies them.

17 56. The allegations in Paragraph 56 are based on the ambiguous and inconsistently used terms
18 "Lido DAO," "Lido," and "[m]embers of the Lido DAO team." Given that ambiguity, Paradigm lacks
19 knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 56. To
20 the extent the allegations in Paragraph 56 reflect Plaintiff's embedded legal conclusion that "Lido DAO"
21 is a general partnership, no response is required. To the extent a response to that legal conclusion is
22 required, Paradigm denies that any such partnership exists and denies that Paradigm is a partner in it. To
23 the extent there are any remaining factual allegations regarding Paradigm in Paragraph 56, Paradigm
24 denies them. As to any remaining factual allegations to which a response is required, Paradigm lacks
25 knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore
26 denies them.

27 57. Paradigm lacks sufficient knowledge or information to form a belief as to when LDO
28 became available for trading on Coinbase, and on that basis denies the allegations in the first sentence of

1 Paragraph 57.² To the extent the allegations in Paragraph 57 are based on a written or oral statement,
2 Paradigm respectfully refers to the referenced materials for their full and accurate contents. Paradigm
3 denies Plaintiff's characterizations of any statements or conduct in Paragraph 57. To the extent the
4 allegations in Paragraph 57 are based on alleged statements or conduct by Paradigm, Paradigm denies the
5 allegations. As to any remaining factual allegations to which a response is required, Paradigm lacks
6 knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore
7 denies them.

8 58. The allegations in Paragraph 58 are based on the ambiguous and inconsistently used term
9 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
10 the truth of the allegations in Paragraph 58. Paradigm lacks knowledge or information sufficient to form
11 a belief as to the truth of the remaining allegations in Paragraph 58, and therefore denies them.

12 59. The allegations in Paragraph 59 are based on the ambiguous and inconsistently used term
13 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
14 the truth of the allegations in Paragraph 59. To the extent the allegations in Paragraph 59 are based on a
15 written or oral statement, Paradigm respectfully refers to the referenced materials for their full and accurate
16 contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 59. As
17 to any remaining factual allegations to which a response is required, Paradigm lacks knowledge or
18 information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

19 60. Paradigm lacks sufficient knowledge or information to form a belief as to when LDO
20 became available for trading on Gemini, and on that basis denies the allegations in the first sentence of
21 Paragraph 60.³ The remaining allegations in Paragraph 60 are based on the ambiguous and inconsistently
22 used term "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a
23 belief as to the truth of those allegations in Paragraph 60. To the extent the allegations in Paragraph 60 are
24 based on alleged statements or conduct by Paradigm, Paradigm denies the allegations. As to any remaining
25

26
27 ² Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the allegations in
footnote 1, and therefore denies them.

28 ³ Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the allegations in
footnote 2, and therefore denies them.

1 allegations in Paragraph 60, Paradigm lacks knowledge or information sufficient to form a belief as to the
2 truth of such allegations, and therefore denies them.

3 61. The allegations in Paragraph 61 are based on the ambiguous and inconsistently used term
4 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
5 the truth of the allegations in Paragraph 61. To the extent the allegations in Paragraph 61 are based on a
6 written or oral statement, Paradigm respectfully refers to the referenced materials for their full and accurate
7 contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 61. As
8 to any remaining factual allegations to which a response is required, Paradigm lacks knowledge or
9 information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

10 62. To the extent the allegations in Paragraph 62 are based on a written or oral statement,
11 Paradigm respectfully refers to the referenced materials for their full and accurate contents.⁴ Paradigm
12 denies Plaintiff's characterizations of any statements or conduct in Paragraph 62. To the extent the
13 allegations in Paragraph 62 are based on alleged statements or conduct by Paradigm, Paradigm denies the
14 allegations. As to any remaining factual allegations to which a response is required, Paradigm lacks
15 knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore
16 denies them.

17 63. The allegations in Paragraph 63 are based on the ambiguous and inconsistently used term
18 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
19 the truth of the allegations in Paragraph 63. To the extent the allegations in Paragraph 63 are based on a
20 written or oral statement, Paradigm respectfully refers to the referenced materials for their full and accurate
21 contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 63. As
22 to any remaining factual allegations to which a response is required, Paradigm lacks knowledge or
23 information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

24 64. The allegations in Paragraph 64 are based on the ambiguous and inconsistently used term
25 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
26 the truth of the allegations in Paragraph 64. To the extent the allegations in Paragraph 64 are based on

27 _____
28 ⁴ Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the allegations in
footnotes 3 and 4, and therefore denies them.

1 written or oral statements, Paradigm respectfully refers to the referenced materials for their full and
2 accurate contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in
3 Paragraph 64. As to any remaining factual allegations to which a response is required, Paradigm lacks
4 knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore
5 denies them.

6 65. Paradigm denies the allegations in Paragraph 65.

7 66. To the extent the allegations in Paragraph 66 purportedly refer to publicly available data
8 regarding the trading volume and other information concerning LDO tokens, that publicly available data
9 and information speak for themselves. As to any remaining factual allegations to which a response is
10 required, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of such
11 allegations, and therefore denies them.

12 67. The allegations in Paragraph 67 are based on the ambiguous and inconsistently used term
13 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
14 the truth of the allegations in Paragraph 67. To the extent the allegations in Paragraph 67 reflect Plaintiff's
15 embedded legal conclusion that "Lido DAO" is a general partnership, no response is required. To the
16 extent a response to that legal conclusion is required, Paradigm denies that any such partnership exists and
17 denies that Paradigm is a partner in it. To the extent the allegations in Paragraph 67 are based on written
18 or oral statements, Paradigm respectfully refers to the referenced materials for their full and accurate
19 contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 67. As
20 to any remaining factual allegations to which a response is required, Paradigm lacks knowledge or
21 information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

22 68. The allegations in Paragraph 68 are based on the ambiguous and inconsistently used term
23 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
24 the truth of the allegations in Paragraph 68. To the extent the allegations in Paragraph 68 reflect Plaintiff's
25 embedded legal conclusion that "Lido DAO" is a general partnership, no response is required. To the
26 extent a response to that legal conclusion is required, Paradigm denies that any such partnership exists and
27 denies that Paradigm is a partner in it. To the extent the allegations in Paragraph 68 are based on written
28 or oral statements, Paradigm respectfully refers to the referenced materials for their full and accurate

1 contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 68. As
2 to any remaining factual allegations to which a response is required, Paradigm lacks knowledge or
3 information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

4 69. The allegations in Paragraph 69 are based on the ambiguous and inconsistently used term
5 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
6 the truth of the allegations in Paragraph 69. To the extent the allegations in Paragraph 69 reflect Plaintiff's
7 embedded legal conclusion that "Lido DAO" is a general partnership, no response is required. To the
8 extent a response to that legal conclusion is required, Paradigm denies that any such partnership exists and
9 denies that Paradigm is a partner in it. To the extent the allegations in Paragraph 69 are based on a written
10 or oral statement, Paradigm respectfully refers to the referenced materials for their full and accurate
11 contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 69. To
12 the extent the allegations in Paragraph 69 are based on alleged statements or conduct by Paradigm,
13 Paradigm denies the allegations. As to any remaining factual allegations to which a response is required,
14 Paradigm lacks knowledge or information sufficient to form a belief as to the truth of such allegations,
15 and therefore denies them.

16 70. The allegations in Paragraph 70 are based on the ambiguous and inconsistently used term
17 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
18 the truth of the allegations in Paragraph 70. To the extent the allegations in Paragraph 70 are based on a
19 written or oral statement, Paradigm respectfully refers to the referenced materials for their full and accurate
20 contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 70. As
21 to any remaining factual allegations to which a response is required, Paradigm lacks knowledge or
22 information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

23 **LIDO'S DAY-TO-DAY OPERATIONS**

24 71. The allegations in Paragraph 71 are based on the ambiguous and inconsistently used term
25 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
26 the truth of the allegations in Paragraph 71. As to the remaining allegations, Paradigm lacks knowledge
27 or information sufficient to form a belief as to the truth of those allegations, and therefore denies them.

1 72. The allegations in Paragraph 72 are vague and unclear, and as a result Paradigm lacks
2 knowledge or information sufficient to form a belief as to the truth of such allegations. As to the remaining
3 allegations, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of those
4 allegations, and therefore denies them.

5 73. The allegations in Paragraph 73 are based on the ambiguous and inconsistently used term
6 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
7 the truth of the allegations in Paragraph 73. Paradigm otherwise lacks knowledge or information sufficient
8 to form a belief as to the truth of the allegations in Paragraph 73, and therefore denies them.

9 74. The allegations in Paragraph 74 are based on the ambiguous and inconsistently used term
10 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
11 the truth of the allegations in Paragraph 74. To the extent the allegations in Paragraph 74 are based on a
12 written or oral statement, Paradigm respectfully refers to the referenced materials for their full and accurate
13 contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 74. As
14 to any remaining factual allegations to which a response is required, Paradigm lacks knowledge or
15 information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

16 75. The allegations in Paragraph 75 are based on the ambiguous and inconsistently used term
17 "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to
18 the truth of the allegations in Paragraph 75. To the extent the allegations in Paragraph 75 reflect Plaintiff's
19 embedded legal conclusion that "Lido DAO" is a general partnership, no response is required. To the
20 extent a response to that legal conclusion is required, Paradigm denies that any such partnership exists and
21 denies that Paradigm is a partner in it. To the extent the allegations in Paragraph 75 are based on alleged
22 statements or conduct by Paradigm, Paradigm denies the allegations. As to any remaining factual
23 allegations to which a response is required, Paradigm lacks knowledge or information sufficient to form
24 a belief as to the truth of such allegations, and therefore denies them.

25 76. To the extent the allegations in Paragraph 76 reflect Plaintiff's embedded legal conclusion
26 that "Lido DAO" is a general partnership, no response is required. To the extent a response to that legal
27 conclusion is required, Paradigm denies that any such partnership exists and denies that Paradigm is a
28 partner in it, and therefore denies the allegations in Paragraph 76. To the extent the allegations in

Paragraph 76 are based on the ambiguous and inconsistently used term "Lido," Paradigm lacks knowledge or information sufficient to form a belief as to the truth of those allegations. To the extent the allegations in Paragraph 76 are based on alleged statements or conduct by Paradigm, Paradigm denies the allegations. As to any remaining factual allegations to which a response is required, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

77. To the extent the allegations in Paragraph 77 reflect Plaintiff's embedded legal conclusion that "Lido DAO" is a general partnership, no response is required. To the extent a response to that legal conclusion is required, Paradigm denies that any such partnership exists and denies that Paradigm is a partner in it. To the extent the allegations in Paragraph 77 refer to a publicly available governance proposal, Paradigm respectfully refers to the referenced materials for their full and accurate contents. Paradigm denies Plaintiff's characterizations of any statements or conduct alleged in Paragraph 77. Paradigm otherwise lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 77, and therefore denies them.

78. To the extent the allegations in Paragraph 78 are based on written or oral statements, Paradigm respectfully refers to the referenced materials for their full and accurate contents.⁵ Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 78. As to any remaining factual allegations to which a response is required, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore denies them.

79. To the extent the allegations in Paragraph 79 reflect Plaintiff's embedded legal conclusion that "Lido DAO" is a general partnership, no response is required. To the extent a response to that legal conclusion is required, Paradigm denies that any such partnership exists and denies that Paradigm is a partner in it. Paradigm denies Plaintiff's characterization that "ordinary investors have no hope of stopping governance proposals from Partner Defendants" in the third sentence of Paragraph 79. Paradigm otherwise lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 79, and therefore denies them.

80. The allegations in Paragraph 80 are based on the ambiguous and inconsistently used term "Lido." Given that ambiguity, Paradigm lacks knowledge or information sufficient to form a belief as to

⁵ Paradigm admits the allegations in footnote 5.

1 the truth of the allegations in Paragraph 80. To the extent the allegations in Paragraph 80 refer to a publicly
2 available governance proposal, Paradigm respectfully refers to the referenced materials for their full and
3 accurate contents. Paradigm denies Plaintiff's characterizations of any statements or conduct alleged in
4 Paragraph 80. Paradigm otherwise lacks knowledge or information sufficient to form a belief as to the
5 truth of the allegations in Paragraph 80, and therefore denies them.

6 81. To the extent the allegations in Paragraph 81 reflect Plaintiff's embedded legal conclusion
7 that "Lido DAO" is a general partnership, no response is required. To the extent a response to that legal
8 conclusion is required, Paradigm denies that any such partnership exists and denies that Paradigm is a
9 partner in it. To the extent the allegations in Paragraph 81 are based on the ambiguous and inconsistently
10 used term "Lido," Paradigm lacks knowledge or information sufficient to form a belief as to the truth of
11 the allegations in Paragraph 81. To the extent the allegations in Paragraph 81 are based on a written or
12 oral statement, Paradigm respectfully refers to the referenced materials for their full and accurate contents.
13 Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 81. To the extent
14 the allegations in Paragraph 81 reflect Plaintiff's embedded legal conclusions that LDO or transactions in
15 LDO are securities, no response is required. To the extent a response to those legal conclusions is required,
16 Paradigm denies that LDO is a security and denies that transactions in LDO are securities. As to any
17 remaining factual allegations to which a response is required, Paradigm lacks knowledge or information
18 sufficient to form a belief as to the truth of such allegations, and therefore denies them.

19 82. To the extent the allegations in Paragraph 82 reflect Plaintiff's embedded legal conclusion
20 that "Lido DAO" is a general partnership, no response is required. To the extent a response to that legal
21 conclusion is required, Paradigm denies that any such partnership exists and denies that Paradigm is a
22 partner in it. To the extent the allegations in Paragraph 82 are based on the ambiguous and inconsistently
23 used term "Lido," Paradigm lacks knowledge or information sufficient to form a belief as to the truth of
24 the allegations in Paragraph 82. Paradigm otherwise lacks knowledge or information sufficient to form a
25 belief as to the truth of the allegations in Paragraph 82, and therefore denies them.

26 **TRANSACTIONS IN LDO TOKENS ARE SECURITIES**

27 83. To the extent the allegations in Paragraph 83 are based on a written or oral statement,
28 Paradigm respectfully refers to the referenced materials for their full and accurate contents. Paradigm

denies Plaintiff's characterizations of any statements or conduct in Paragraph 83. Paradigm denies any remaining allegations in Paragraph 83.

84. To the extent the allegations in Paragraph 84 are based on a written or oral statement, Paradigm respectfully refers to the referenced materials for their full and accurate contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 84. Paradigm denies any remaining allegations in Paragraph 84.

85. To the extent the allegations in Paragraph 85 are based on a written or oral statement, Paradigm respectfully refers to the referenced materials for their full and accurate contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 85. Paradigm denies any remaining allegations in Paragraph 85.

86. The allegations in Paragraph 86 state legal conclusions for which no response is required.

87. The allegations in Paragraph 87 state legal conclusions for which no response is required.

88. The allegations in Paragraph 88 state legal conclusions for which no response is required. To the extent a response is required, Paradigm states that, to the extent the allegations in Paragraph 88 are based on a written or oral statement, Paradigm respectfully refers to the referenced materials for their full and accurate contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 88. Paradigm denies any remaining allegations in Paragraph 88.

89. The allegations in Paragraph 89 state legal conclusions for which no response is required. To the extent a response is required, Paradigm states that, to the extent the allegations in Paragraph 89 are based on a written or oral statement, Paradigm respectfully refers to the referenced materials for their full and accurate contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 89. Paradigm denies any remaining allegations in Paragraph 89.

90. Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 90, and therefore denies them.

91. The allegations in Paragraph 91 state legal conclusions for which no response is required. To the extent a response is required, Paradigm states that, to the extent the allegations in Paragraph 91 are based on a written or oral statement, Paradigm respectfully refers to the referenced materials for their full

1 and accurate contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in
2 Paragraph 91. Paradigm denies any remaining allegations in Paragraph 91.

3 92. The allegations in Paragraph 92 state legal conclusions for which no response is required.
4 To the extent a response is required, Paradigm denies the allegations. To the extent the allegations in
5 Paragraph 92 are based on the ambiguous and inconsistently used term "Lido," Paradigm lacks knowledge
6 or information sufficient to form a belief as to the truth of the allegations in Paragraph 92. To the extent
7 the allegations in Paragraph 92 are based on the allegation that "Lido DAO" is a general partnership,
8 Paradigm denies that any such partnership exists and denies that Paradigm is a partner in it.

9 93. To the extent the allegations in Paragraph 93 reflect Plaintiff's embedded legal conclusion
10 that "Lido DAO" is a general partnership, no response is required. To the extent a response to that legal
11 conclusion is required, Paradigm denies that any such partnership exists and denies that Paradigm is a
12 partner in it. To the extent the allegations in Paragraph 93 are based on a written or oral statement,
13 Paradigm respectfully refers to the referenced materials for their full and accurate contents. Paradigm
14 denies Plaintiff's characterizations of any statements or conduct in Paragraph 93. To the extent the
15 allegations in Paragraph 93 are based on alleged statements or conduct by Paradigm, Paradigm denies the
16 allegations. To the extent the allegations in Paragraph 93 relate to any other Defendant in this case or any
17 other individual or entity not a party to this case, Paradigm lacks knowledge or information sufficient to
18 form a belief as to the truth of such allegations, and therefore denies them.

19 94. The allegations in Paragraph 94 state legal conclusions for which no response is required.
20 To the extent a response is required, Paradigm states that, to the extent the allegations in Paragraph 94 are
21 based on a written or oral statement, Paradigm respectfully refers to the referenced materials for their full
22 and accurate contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in
23 Paragraph 94. Paradigm denies any remaining allegations in Paragraph 94.

24 95. To the extent the allegations in Paragraph 95 are based on the ambiguous and inconsistently
25 used term "Lido," Paradigm lacks knowledge or information sufficient to form a belief as to the truth of
26 the allegations in Paragraph 95. To the extent the allegations in Paragraph 95 are based on a written or
27 oral statement, Paradigm respectfully refers to the referenced materials for their full and accurate contents.
28 Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 95. To the extent

1 the allegations in Paragraph 95 are based on alleged statements or conduct by Paradigm, Paradigm denies
2 the allegations. To the extent the allegations in Paragraph 95 relate to any other Defendant in this case or
3 any other individual or entity not a party to this case, Paradigm lacks knowledge or information sufficient
4 to form a belief as to the truth of such allegations, and therefore denies them.

5 96. To the extent the allegations in Paragraph 96 are based on the ambiguous and inconsistently
6 used term "Lido," Paradigm lacks knowledge or information sufficient to form a belief as to the truth of
7 the allegations in Paragraph 96. To the extent the allegations in Paragraph 96 are based on a written or
8 oral statement, Paradigm respectfully refers to the referenced materials for their full and accurate contents.
9 Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 96. As to any
10 remaining factual allegations to which a response is required, Paradigm lacks knowledge or information
11 sufficient to form a belief as to the truth of such allegations, and therefore denies them.

12 97. To the extent the allegations in Paragraph 97 are based on the ambiguous and inconsistently
13 used term "Lido," Paradigm lacks knowledge or information sufficient to form a belief as to the truth of
14 the allegations in Paragraph 97. To the extent the allegations in Paragraph 97 are based on a written or
15 oral statement, Paradigm respectfully refers to the referenced materials for their full and accurate contents.
16 Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 97. As to any
17 remaining factual allegations to which a response is required, Paradigm lacks knowledge or information
18 sufficient to form a belief as to the truth of such allegations, and therefore denies them.

19 98. To the extent the allegations in Paragraph 98 are based on the ambiguous and inconsistently
20 used term "Lido," Paradigm lacks knowledge or information sufficient to form a belief as to the truth of
21 the allegations in Paragraph 98. To the extent the allegations in Paragraph 98 are based on written or oral
22 statements, Paradigm states that any such statements speak for themselves. Paradigm denies Plaintiff's
23 characterizations of any statements or conduct in Paragraph 98. As to any remaining factual allegations to
24 which a response is required, Paradigm lacks knowledge or information sufficient to form a belief as to
25 the truth of such allegations, and therefore denies them.

26 99. To the extent the allegations in Paragraph 99 are based on the ambiguous and inconsistently
27 used term "Lido," Paradigm lacks knowledge or information sufficient to form a belief as to the truth of
28 the allegations in Paragraph 99. To the extent the allegations in Paragraph 99 are based on written or oral

1 statements, Paradigm states that any such statements speak for themselves. Paradigm denies Plaintiff's
2 characterizations of any statements or conduct in Paragraph 99. As to any remaining factual allegations to
3 which a response is required, Paradigm lacks knowledge or information sufficient to form a belief as to
4 the truth of such allegations, and therefore denies them.

5 100. To the extent the allegations in Paragraph 100 are based on the ambiguous and
6 inconsistently used term "Lido," Paradigm lacks knowledge or information sufficient to form a belief as
7 to the truth of the allegations in Paragraph 100. To the extent the allegations in Paragraph 100 are based
8 on a written or oral statement, Paradigm respectfully refers to the referenced materials for their full and
9 accurate contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in
10 Paragraph 100. As to any remaining factual allegations to which a response is required, Paradigm lacks
11 knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore
12 denies them.

13 101. To the extent the allegations in Paragraph 101 are based on the ambiguous and
14 inconsistently used term "Lido," Paradigm lacks knowledge or information sufficient to form a belief as
15 to the truth of the allegations in Paragraph 101. To the extent the allegations in Paragraph 101 reflect
16 Plaintiff's embedded legal conclusion that "Lido DAO" is a general partnership, no response is required.
17 To the extent a response to that legal conclusion is required, Paradigm denies that any such partnership
18 exists and denies that Paradigm is a partner in it, and therefore denies the allegations in Paragraph 101.
19 To the extent the allegations in Paragraph 101 reflect Plaintiff's embedded legal conclusions that LDO or
20 transactions in LDO are securities, no response is required. To the extent a response to those legal
21 conclusions is required, Paradigm denies that LDO is a security and denies that transactions in LDO are
22 securities. To the extent any remaining allegations in Paragraph 101 reflect any factual allegations to
23 which a response is required, Paradigm denies them.

24 102. To the extent the allegations in Paragraph 102 are based on the ambiguous and
25 inconsistently used term "Lido," Paradigm lacks knowledge or information sufficient to form a belief as
26 to the truth of the allegations in Paragraph 102. Paradigm otherwise denies the allegations in
27 Paragraph 102.

1 103. To the extent the allegations in Paragraph 103 are based on the ambiguous and
2 inconsistently used term "Lido," Paradigm lacks knowledge or information sufficient to form a belief as
3 to the truth of the allegations in Paragraph 103. To the extent the allegations in Paragraph 103 purportedly
4 refer to publicly available data regarding the price of LDO tokens, Paradigm respectfully refers to the
5 referenced materials for their full and accurate contents. To the extent the allegations in Paragraph 103 are
6 based on a written or oral statement, Paradigm respectfully refers to the referenced materials for their full
7 and accurate contents. Paradigm denies Plaintiff's characterizations of any statements or conduct in
8 Paragraph 103. As to any remaining factual allegations to which a response is required, Paradigm lacks
9 knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore
10 denies them.

11 104. To the extent the allegations in Paragraph 104 purportedly refer to publicly available data
12 regarding the price of LDO tokens, Paradigm respectfully refers to the referenced materials for their full
13 and accurate contents. To the extent the allegations in Paragraph 104 are based on a written or oral
14 statement, Paradigm respectfully refers to the referenced materials for their full and accurate contents.
15 Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 104. As to any
16 remaining factual allegations to which a response is required, Paradigm lacks knowledge or information
17 sufficient to form a belief as to the truth of such allegations, and therefore denies them.

18 105. To the extent the allegations in Paragraph 105 are based on the ambiguous and
19 inconsistently used term "Lido," Paradigm lacks knowledge or information sufficient to form a belief as
20 to the truth of the allegations in Paragraph 105. To the extent the allegations in Paragraph 105 are based
21 on written or oral statements, Paradigm states that any such statements speak for themselves. Paradigm
22 denies Plaintiff's characterizations of any statements or conduct in Paragraph 105. As to any remaining
23 factual allegations to which a response is required, Paradigm lacks knowledge or information sufficient to
24 form a belief as to the truth of such allegations, and therefore denies them.

25 106. Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the
26 allegations in Paragraph 106, and therefore denies them.

27 107. Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the
28 allegations in Paragraph 107, and therefore denies them. To the extent the allegations in Paragraph 107

1 reflect Plaintiff's embedded legal conclusions that LDO or transactions in LDO are securities, no response
2 is required. To the extent a response to those legal conclusions is required, Paradigm denies that LDO is
3 a security and denies that transactions in LDO are securities.

4 108. To the extent the allegations in Paragraph 108 are based on the ambiguous terms "regular
5 investors" and "ordinary investors," Paradigm lacks knowledge or information sufficient to form a belief
6 as to the truth of the allegations in Paragraph 108, and therefore denies them. Paradigm denies any
7 remaining allegations in Paragraph 108.

8 109. Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the
9 allegations in Paragraph 109, and therefore denies them. To the extent the allegations in Paragraph 109
10 reflect Plaintiff's embedded legal conclusions that LDO or transactions in LDO are securities, no response
11 is required. To the extent a response to those legal conclusions is required, Paradigm denies that LDO is
12 a security and denies that transactions in LDO are securities.

13 110. Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the
14 allegations in Paragraph 110, and therefore denies them.

15 111. To the extent the allegations in Paragraph 111 are based on alleged statements or conduct
16 by Paradigm, Paradigm denies the allegations. To the extent the allegations in Paragraph 111 reflect
17 Plaintiff's embedded legal conclusion that "Lido DAO" is a general partnership, no response is required.
18 To the extent a response to that legal conclusion is required, Paradigm denies that any such partnership
19 exists and denies that Paradigm is a partner in it. To the extent the allegations in Paragraph 111 relate to
20 any other Defendant in this case or any other individual or entity not a party to this case, Paradigm lacks
21 knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore
22 denies them.

23 112. The allegations in Paragraph 112 state legal conclusions for which no response is required.
24 To the extent a response is required, Paradigm states that, to the extent the allegations in Paragraph 112
25 are based on written or oral statements, any such statements speak for themselves. Paradigm denies
26 Plaintiff's characterizations of any statements or conduct in Paragraph 112. Paradigm denies any
27 remaining allegations in Paragraph 112.

1 113. To the extent the allegations in Paragraph 113 contain embedded factual allegations as to
2 Paradigm, Paradigm denies them. To the extent the allegations in Paragraph 113 contain embedded factual
3 allegations as to any other Defendant in this case or any other individual or entity not a party to this case,
4 Paradigm lacks knowledge or information sufficient to form a belief as to the truth of such allegations,
5 and therefore denies them.

6 114. Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the
7 allegations in Paragraph 114, and therefore denies them.

8 115. To the extent the allegations in Paragraph 115 are based on the ambiguous and
9 inconsistently used term "Lido," Paradigm lacks knowledge or information sufficient to form a belief as
10 to the truth of the allegations in Paragraph 115. To the extent the allegations in Paragraph 115 reflect
11 Plaintiff's embedded legal conclusion that "Lido DAO" is a general partnership, no response is required.
12 To the extent a response to that legal conclusion is required, Paradigm denies that any such partnership
13 exists and denies that Paradigm is a partner in it. To the extent the allegations in Paragraph 115 are based
14 on alleged statements or conduct by Paradigm, Paradigm denies the allegations. To the extent the
15 allegations in Paragraph 115 relate to any other Defendant in this case or any other individual or entity
16 not a party to this case, Paradigm lacks knowledge or information sufficient to form a belief as to the truth
17 of such allegations, and therefore denies them. Paradigm denies any remaining allegations in
18 Paragraph 115.

19 116. To the extent the allegations in Paragraph 116 reflect Plaintiff's embedded legal conclusion
20 that "Lido DAO" is a general partnership, no response is required. To the extent a response to that legal
21 conclusion is required, Paradigm denies that any such partnership exists and denies that Paradigm is a
22 partner in it. Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the
23 allegations in the first sentence of Paragraph 116, and therefore denies them. To the extent the allegations
24 in the second sentence of Paragraph 116 relate to Paradigm, Paradigm denies them. To the extent the
25 allegations in the second sentence of Paragraph 116 relate to any other Defendant in this case or any other
26 individual or entity not a party to this case, Paradigm lacks knowledge or information sufficient to form a
27 belief as to the truth of such allegations, and therefore denies them. Paradigm denies the remaining
28 allegations in Paragraph 116.

CLASS ACTION ALLEGATIONS

117. Paragraph 117 reflects Plaintiff's characterization of the Amended Complaint and his litigation strategy in this case. No response is required. To the extent a response is required, Paradigm generally denies the allegations in the Amended Complaint.

118. The allegations in Paragraph 118 state legal conclusions for which no response is required. To the extent a response is required, Paradigm denies such allegations.

119. Paradigm admits that Plaintiff has been appointed as Lead Plaintiff in this action.

Numerosity

120. The allegations in Paragraph 120 state legal conclusions for which no response is required. To the extent a response is required, Paradigm denies such allegations.

121. Paradigm lacks knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 121, and therefore denies them.

122. The allegations in Paragraph 122 state legal conclusions for which no response is required. To the extent a response is required, Paradigm denies such allegations.

Commonality

123. The allegations in Paragraph 123 state legal conclusions for which no response is required. To the extent a response is required, Paradigm denies such allegations.

Typicality

124. The allegations in Paragraph 124 state legal conclusions for which no response is required. To the extent a response is required, Paradigm denies such allegations.

Adequacy

125. The allegations in Paragraph 125 state legal conclusions for which no response is required. To the extent a response is required, Paradigm denies such allegations.

126. The allegations in Paragraph 126 state legal conclusions for which no response is required. To the extent a response is required, Paradigm denies such allegations.

127. The allegations in Paragraph 127 describe a request that Plaintiff apparently intends to make in a future motion. No response to those allegations is required.

1 128. Paradigm admits that Gerstein Harrow, LLP, and Fairmark Partners, LLP represent the
2 plaintiffs in *Houghton v. Compound DAO*, 22-cv-7781 (N.D. Cal.). Paradigm admits the allegations in the
3 second sentence of Paragraph 128. Paradigm denies any remaining allegations in Paragraph 128.

4 129. The allegations in Paragraph 129 state legal conclusions for which no response is required.
5 To the extent a response is required, Paradigm denies such allegations.

6 *Predominance and Superiority*

7 130. The allegations in Paragraph 130 state legal conclusions for which no response is required.
8 To the extent a response is required, Paradigm denies such allegations.

9 131. The allegations in Paragraph 131 state legal conclusions for which no response is required.
10 To the extent a response is required, Paradigm lacks knowledge or information sufficient to form a belief
11 as to the truth of the allegations in Paragraph 131, and therefore denies them.

12 **CLAIM FOR RELIEF**

13 132. Paradigm realleges and reincorporates by reference its responses in all the foregoing
14 Paragraphs in this Answer, in their entirety, as set forth herein.

15 133. The allegations in Paragraph 133 state legal conclusions for which no response is required.
16 Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 133.

17 134. The allegations in Paragraph 134 state legal conclusions for which no response is required.
18 Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 134.

19 135. The allegations in Paragraph 135 state legal conclusions for which no response is required.
20 Paradigm denies Plaintiff's characterizations of any statements or conduct in Paragraph 135.

21 136. The allegations in Paragraph 136 state legal conclusions for which no response is required.
22 To the extent a response is required, Paradigm denies such allegations.

23 137. To the extent the allegations in Paragraph 137 reflect Plaintiff's embedded legal conclusion
24 that "Lido DAO" is a general partnership, no response is required. To the extent a response to that legal
25 conclusion is required, Paradigm denies that any such partnership exists and denies that Paradigm is a
26 partner in it. To the extent the allegations in Paragraph 137 are based on alleged statements or conduct by
27 Paradigm, Paradigm denies the allegations. To the extent the allegations in Paragraph 137 relate to any
28 other Defendant in this case or any other individual or entity not a party to this case, Paradigm lacks

1 knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore
2 denies them. Paradigm denies any remaining allegations in Paragraph 137.

3 138. To the extent the allegations in Paragraph 138 reflect Plaintiff's embedded legal conclusion
4 that "Lido DAO" is a general partnership, no response is required. To the extent a response to that legal
5 conclusion is required, Paradigm denies that any such partnership exists and denies that Paradigm is a
6 partner in it. To the extent the allegations in Paragraph 138 are based on alleged statements or conduct by
7 Paradigm, Paradigm denies the allegations. To the extent the allegations in Paragraph 138 relate to any
8 other Defendant in this case or any other individual or entity not a party to this case, Paradigm lacks
9 knowledge or information sufficient to form a belief as to the truth of such allegations, and therefore
10 denies them. Paradigm denies any remaining allegations in Paragraph 138.

11 139. The allegations in Paragraph 139 state legal conclusions for which no response is required.
12 To the extent a response is required, and to the extent the allegations in Paragraph 139 are based on the
13 allegation that "Lido DAO" is a general partnership, Paradigm denies that any such partnership exists and
14 denies that Paradigm is a partner in it. To the extent the allegations in Paragraph 139 are based on alleged
15 statements or conduct by Paradigm, Paradigm denies the allegations. To the extent the allegations in
16 Paragraph 139 relate to any other Defendant in this case or any other individual or entity not a party to
17 this case, Paradigm lacks knowledge or information sufficient to form a belief as to the truth of such
18 allegations, and therefore denies them. Paradigm denies any remaining allegations in Paragraph 139.

19 140. The allegations in Paragraph 140 state legal conclusions for which no response is required.
20 To the extent a response to those legal conclusions is required, Paradigm denies that LDO is a security
21 and denies that transactions in LDO are securities. As to any remaining factual allegations to which a
22 response is required, Paradigm lacks knowledge or information sufficient to form a belief as to the truth
23 of such allegations, and therefore denies them.

24 141. The allegations in Paragraph 141 state legal conclusions for which no response is required.
25 To the extent a response is required, Paradigm denies such allegations.

26 142. The allegations in Paragraph 142 state legal conclusions for which no response is required.
27 To the extent a response is required, Paradigm denies such allegations.

1 **PRAYER FOR RELIEF**

2 143. Paradigm denies that Plaintiff is entitled to any of the relief he requests or to any other
3 relief based on the allegations in the Amended Complaint.

4 **AFFIRMATIVE DEFENSES**

5 As separate defenses to the Amended Complaint, and without assuming the burden of proof to
6 which they have no such burden, Paradigm states as follows:

7 **FIRST AFFIRMATIVE DEFENSE**

8 **(Mandatory Arbitration)**

9 Plaintiff's claims in the Amended Complaint are subject to mandatory arbitration pursuant to a
10 valid and enforceable arbitration agreement.

11 **SECOND AFFIRMATIVE DEFENSE**

12 **(Comparative Fault/Negligence)**

13 Plaintiff's damages, if any, must be reduced in whole or in part because of the comparative fault,
14 negligence and/or inequitable conduct of Plaintiff and/or other parties.

15 **THIRD AFFIRMATIVE DEFENSE**

16 **(Contribution/Offset)**

17 To the extent Paradigm is deemed jointly and severally liable for any of Plaintiff's damages, those
18 damages, if any, must be reduced in whole or offset by Plaintiff's own commensurate liability.

19 **FOURTH AFFIRMATIVE DEFENSE**

20 **(Failure to Mitigate)**

21 Plaintiff is barred from any recovery because of his failure to mitigate or eliminate his damages, if
22 any, and any recovery by Plaintiff should be reduced or denied accordingly.

23 **FIFTH AFFIRMATIVE DEFENSE**

24 **(Unclean Hands)**

25 Plaintiff's claim is barred to the extent that Plaintiff is not entitled to any recovery, or any recovery
26 must be reduced, in whole or in part, by the doctrine of unclean hands.

1 **SIXTH AFFIRMATIVE DEFENSE**

2 *(In pari delicto)*

3 Plaintiff's claim is barred to the extent that Plaintiff is not entitled to any recovery, or any recovery
4 must be reduced, in whole or in part, by the doctrine of *in pari delicto*.

5 **SEVENTH AFFIRMATIVE DEFENSE**

6 **(Estoppel)**

7 Plaintiff's claim is barred, precluded and/or limited, in whole or in part, by the doctrine of estoppel.

8 **EIGHTH AFFIRMATIVE DEFENSE**

9 **(Waiver)**

10 Plaintiff's claim is barred, in whole or in part, by the doctrine of waiver.

11 **NINTH AFFIRMATIVE DEFENSE**

12 **(Statute of Limitations)**

13 Plaintiff's claim is time-barred, in whole or in part, by the applicable statute of limitations.

14 **TENTH AFFIRMATIVE DEFENSE**

15 **(Statute of Repose)**

16 Plaintiff's claim is time-barred, in whole or in part, by the applicable statute of repose.

17 **ELEVENTH AFFIRMATIVE DEFENSE**

18 **(Not a Security)**

19 Plaintiff's claim is barred, in whole or in part, because LDO is not a security under the applicable
20 securities laws.

21 **TWELFTH AFFIRMATIVE DEFENSE**

22 **(No Liability for Secondary-Market Transactions)**

23 Plaintiff's claim is barred, in whole or in part, because even were the court to find that LDO is a
24 security, Section 12(a)(1) of the Securities Act applies only to public offerings, not secondary-market
25 transactions.

1 **THIRTEENTH AFFIRMATIVE DEFENSE**

2 **(Exemption from Registration)**

3 Plaintiff's claim is barred, in whole or in part, because even were the court to find that LDO is a
4 security, LDO was exempt from the registration requirements of the Securities Act and/or the regulations
5 promulgated thereunder.

6 **FOURTEENTH AFFIRMATIVE DEFENSE**

7 **(Extraterritoriality)**

8 The alleged transactions at issue do not fall within the territorial scope of the U.S. securities laws
9 under *Morrison v. National Australia Bank Ltd.*, 561 U.S. 247 (2010).

10 **FIFTEENTH AFFIRMATIVE DEFENSE**

11 **(No Partner Liability)**

12 Plaintiff's claim is barred, in whole or in part, because alleged partners cannot be held liable under
13 Section 12 of the Securities Act based on purported acts of a partnership.

14 **SIXTEENTH AFFIRMATIVE DEFENSE**

15 **(Lack of Standing)**

16 Plaintiff's claim is barred, in whole or in part, because Plaintiff lacks standing.

17 **SEVENTEENTH AFFIRMATIVE DEFENSE**

18 **(Failure to Join Necessary Parties)**

19 Plaintiff's claim is barred because he failed to name one or more necessary parties in this litigation,
20 as required by Federal Rule of Civil Procedure 19.

21 **EIGHTEENTH AFFIRMATIVE DEFENSE**

22 **(Contribution)**

23 Paradigm is entitled to recover contribution from others for any liability it incurs.

24 **NINETEENTH AFFIRMATIVE DEFENSE**

25 **(Ratification and/or Acquiescence)**

26 Plaintiff's claim is barred, in whole or in part, by the doctrine of ratification and/or acquiescence.
27
28

1 **TWENTIETH AFFIRMATIVE DEFENSE**

2 **(No Damages Attributable to Paradigm)**

3 Plaintiff is barred from any recovery from any recovery from Paradigm because Plaintiff has not
4 sustained any damages as a result of any act or omission by Paradigm or purportedly chargeable to
5 Paradigm.

6 **TWENTY-FIRST AFFIRMATIVE DEFENSE**

7 **(No "But For" Causation)**

8 Plaintiff's claim is barred, in whole or in part, because Plaintiff cannot show that Paradigm was the
9 "but for" cause of Plaintiff's alleged damages.

10 **RESERVATIONS OF RIGHTS**

11 Paradigm reserves the right to amend this Answer or to assert other defenses as this action
12 proceeds. Based upon all the foregoing, as well as other grounds, Paradigm denies any wrongdoing, denies
13 that it is liable to Plaintiff, and denies that Plaintiff is entitled to any relief.

14 **CONDITIONAL COUNTERCLAIMS**

15 Defendant and Conditional Counterclaimant Paradigm, in support of its Conditional
16 Counterclaims against Plaintiff and Counter-Defendant Andrew Samuels ("Plaintiff"), hereby alleges as
17 follows:

18 1. Plaintiff alleges that he purchased approximately 132 LDO tokens in April and May 2023.
19 (AC ¶ 10.)

20 2. Plaintiff alleges he sold those tokens in June 2023. (*Id.*)

21 3. Plaintiff alleges that LDO is the governance token for the Lido DAO. (*Id.* ¶ 20.)

22 4. Plaintiff alleges that "Lido DAO" is a general partnership. (*Id.* ¶ 5.) Plaintiff further alleges
23 that "LDO tokens represent ownership of the Lido business and allow tokenholders to vote on governance
24 proposals." (*Id.* ¶ 33.) Plaintiff has stated that Lido DAO's "general partners are jointly and severally liable
25 for partnership debts." (Pl. Resp. to Defs. Mot. to Dismiss (ECF 64), at 5.)

26 5. As alleged above in this Answer, Paradigm denies Plaintiff's allegations regarding the
27 "Lido DAO" and denies that "Lido DAO" is a California general partnership. Nevertheless, if it is
28 judicially determined that the "Lido DAO" is a general partnership and that the holders of LDO tokens are

1 the partners of such partnership, then Plaintiff, as an alleged LDO token holder himself, would also be a
2 partner in that alleged partnership.

3 6. Paradigm therefore asserts the following Conditional Counterclaims in the event it is
4 judicially determined that the "Lido DAO" is a general partnership and that the holders of LDO tokens are
5 the partners in such a partnership.

6 **Jurisdiction**

7 7. Pursuant to Local Civil Rule 3-5(a), the basis for federal jurisdiction is 28 U.S.C.
8 § 1367(a). The Conditional Counterclaims are related to claims in Plaintiff's Amended Complaint such
9 that they form part of the same case or controversy.

10 8. This Court has personal jurisdiction over Plaintiff because he has sued Paradigm in this
11 Court and consented to its jurisdiction. The Court has personal jurisdiction over Plaintiff for the additional
12 reason that, upon information and belief, he is domiciled in California. (AC ¶ 10).

13 **First Conditional Counterclaim for Contribution and/or Indemnification**

14 9. Paradigm realleges and incorporates by reference all prior paragraphs as if fully restated
15 herein.

16 10. A party that is jointly and severally liable for an obligation and which satisfies more than
17 its proper share of that obligation is entitled to contribution or indemnification from all of the other parties
18 with whom it is jointly and severally liable.

19 11. Here, Plaintiff alleges that the general partners in the so-called "Lido DAO" partnership
20 are jointly and severally liable for any damages arising out of the Lido DAO's purported offer and sale of
21 unregistered securities in violation of Sections 5 and 12(a)(1) of the Securities Act of 1933. (AC ¶ 5; *id.*
22 at Prayer for Relief; *see also* Pl. Resp. to Defs. Mot. to Dismiss (ECF 64), at 5.)

23 12. As explained above, under Plaintiff's theory, Plaintiff is also a general partner in the "Lido
24 DAO partnership" because Plaintiff held LDO tokens.

25 13. Accordingly, if Plaintiff prevails on his theory that each LDO token holder is a general
26 partner in the "Lido DAO partnership" and thus jointly and severally liable for any damages arising from
27 such "partnership's" offer and sale of unregistered securities, then Plaintiff would also be jointly and
28 severally liable for any such damages.

1 14. To be clear, Paradigm denies that there is a "Lido DAO partnership," that Paradigm is a
2 partner in any such "partnership," and that partners can be liable (whether jointly and severally or
3 otherwise) under Section 12 of the Securities Act of 1933 based on the acts of a partnership.

4 15. However, in the event there is a judicial determination that (i) a "Lido DAO partnership"
5 exists, (ii) Paradigm is a partner in that "partnership," and (iii) partners can be liable under Section 12 of
6 the Securities Act of 1933 based on the acts of a partnership, then Paradigm is entitled to contribution
7 and/or indemnification from Plaintiff for any obligation that Paradigm satisfies beyond its proper share.

8 **Second Conditional Counterclaim for Breach of Fiduciary Duty**

9 16. Paradigm realleges and incorporates by reference all prior paragraphs as if fully restated
10 herein.

11 17. Under both California Corporations Code § 16404 and California common law, a partner
12 owes a duty of loyalty and a duty of care to the partnership and its partners.

13 18. Pursuant to those duties, a partner must refrain from acting adversely to the partnership or
14 its partners.

15 19. Here, Plaintiff alleges that the holders of LDO tokens are general partners in the so-called
16 "Lido DAO" partnership. Thus, under Plaintiff's theory, Plaintiff is a general partner in the "Lido DAO
17 partnership" because he allegedly held LDO tokens. As a result, accepting Plaintiff's theory, Plaintiff owed
18 fiduciary duties to the other partners of the "Lido DAO partnership."

19 20. To be clear, Paradigm denies that there is a "Lido DAO partnership," and denies that
20 Paradigm is a partner in any such "partnership."

21 21. However, in the event there is a judicial determination that (i) a "Lido DAO partnership"
22 exists, and (ii) the holders of LDO tokens are the general partners of that partnership, then Plaintiff owed
23 and/or continue to owe fiduciary duties to Paradigm and the other "partners."

24 22. Further, in the event there is a judicial determination that (i) a "Lido DAO partnership"
25 exists, and (ii) the holders of LDO tokens are the general partners of that partnership, then Plaintiff has
26 breached his duties of loyalty and care for the reasons alleged herein, including, but not limited to, by
27 permitting his purported partners and his purported partnership to sell or offer for sale allegedly
28 unregistered securities, despite believing and without disclosing or otherwise informing the purported

1 "Lido DAO partnership" or the general partners that such sales or offers for sale violate the federal
2 securities laws.

3 23. As a consequence of Plaintiff's breaches, Paradigm has been damaged in an amount to be
4 determined at trial.

5 **Third Conditional Counterclaim for Reimbursement**

6 24. Paradigm realleges and incorporates by reference all prior paragraphs as if fully restated
7 herein.

8 25. Under both California Corporations Code § 16401 and California common law, a
9 partnership is obligated to reimburse a partner for payments made and to indemnify a partner for liabilities
10 incurred by the partner.

11 26. Here, Plaintiff alleges that the holders of LDO tokens are general partners in the so-called
12 "Lido DAO" partnership. Thus, under Plaintiff's theory, Plaintiff is a general partner in the "Lido DAO
13 partnership" because he allegedly held LDO tokens. As a result, accepting Plaintiff's theory, Plaintiff is
14 obligated to reimburse other partners for payments made and to indemnify other partners for liabilities
15 incurred by the partner.

16 27. To be clear, Paradigm denies that there is a "Lido DAO partnership," that Paradigm is a
17 partner in any such "partnership," and that partners can be liable (whether jointly and severally or
18 otherwise) under Section 12 of the Securities Act of 1933 based on the acts of a partnership.

19 28. However, in the event there is a judicial determination that (i) a "Lido DAO partnership"
20 exists, (ii) the holders of LDO tokens are the general partners of that partnership; and (iii) Paradigm and
21 other "partners" are found to be liable under Section 12 of the Securities Act, then Plaintiff is obligated to
22 indemnify and reimburse Paradigm for any obligation that Paradigm satisfies beyond its proper share.

23 **PRAYER FOR RELIEF**

24 Paradigm, without admitting any of the allegations in the Amended Complaint and if, and only if,
25 it is judicially determined that a "Lido DAO partnership" exists in which holders of LDO tokens are among
26 the general partners of such a partnership, then Paradigm respectfully requests that the Court enter
27 judgment on its behalf against Plaintiff as follows:

28 1. Awarding Paradigm damages in an amount to be determined at trial;

2. Awarding Paradigm its attorneys' fees, costs, and expenses;
3. Awarding Paradigm prejudgment and post-judgment interest; and
4. Granting such other and further relief as the Court deems just and proper.

DATED: December 18, 2024

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

By: /s/ Alexander C. Drylewski
ALEXANDER C. DRYLEWSKI
Attorney for Defendant
Paradigm Operations LP